

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

Subject:	Credit Enhancement Program- Activity Status Report	Item Number: <u>13</u>
		Attachment(s): <u>2</u>

Action:	<u> </u>	Date of Meeting: <u>November 3, 1999</u>
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Information:	<u> X </u>	Presenters: <u> Mr. Rose </u>
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EXECUTIVE SUMMARY

As previously reported, CalSTRS recently closed on five transactions: Wilson Entities (\$2.6 million), DV Industries (\$1.7 million), Starter/Alternator Exchange, Inc. (\$5 million), Town of Apple Valley (\$5.3 million) and City of Alameda (\$10 million). In each case, CalSTRS supported a financial institution.

The Primero Grove Student Apartments, Davis (\$11.7 million) is now expected to close in mid-November 1999. CalSTRS will provide a confirming letter of credit.

CalSTRS currently has several transactions in the pipeline, which may or may not materialize. As these transactions become imminent, they will be reported to the CalSTRS Investment Committee.

CalSTRS CREDIT ENHANCEMENT PROGRAM

PROGRAM SUMMARY AS OF SEPTEMBER 30, 1999

Attachment 1
Item 13

Transactions	Type	Closing Date	End of Commitment	STRS Commitment	Interest	Total Commitment	Fiscal 1999 - 00 Fee Income	Fee Income To Date
DIRECT RISK								
Port of Long Beach	Liquidity	Jun-94	Sep-00	\$75,000,000	\$0	\$75,000,000	\$25,919	\$276,891
Bridge - Richmond Townhomes	Expired. Redeemed as of Feb-97.							\$15,096
USA Waste Industries	Credit	Nov-94	Nov-99	\$9,764,121	\$0	\$9,764,121	\$31,191	\$289,050
Sanifill, Inc.	Expired. Redeemed as of Jan-98.			\$0	\$0	\$0	\$0	\$87,618
San Diego Unified Port District (2)	Credit	Oct-97	Oct-02	\$35,000,000	\$1,365,243	\$36,365,243	\$4,924	\$43,256
San Diego Unified Port District (2)	Credit	Oct-97	Oct-02	\$15,000,000	\$585,104	\$15,585,104	\$8,656	\$43,139
Pasadena Parking Authority	Credit	Jan-98	Jan-03	\$9,000,000	\$693,750	\$9,693,750	\$7,519	\$43,454
Pasadena Rosebowl (22)	Credit	Jun-98	Jun-01	\$15,600,000	\$276,956	\$15,876,956	\$12,667	\$45,668
Kern High School 1995A	Credit	Jul-99	May-01	\$6,169,343	\$0	\$6,169,343	\$12,630	\$12,630
Kern High School 1995B	Credit	Jul-99	May-01	\$4,716,233	\$0	\$4,716,233	\$9,655	\$9,655
Kern High School 1999	Credit	Jul-99	Jul-02	\$7,500,000	\$147,945	\$7,647,945	\$25,830	\$25,830
SUBTOTAL				\$177,749,696	\$3,068,998	\$180,818,694	\$138,991	\$892,288
DIRECT RISK - SECURED								
Buck Research on Aging	Credit	Dec-96	Dec-99	\$27,500,000	\$397,808	\$27,897,808	\$45,838	\$506,979
BOND INSURED								
Adventist West	Credit	Feb-98	Feb-05	\$114,500,000	\$1,693,973	\$116,193,973	\$43,931	\$229,429
CHFA 1998 Series M	Credit	Apr-99	Jul-01	\$9,125,000	\$707,188	\$9,832,188	\$2,433	\$2,433
CHFA 1998 Series P	Credit	Apr-99	Jul-01	\$5,000,000	\$387,500	\$5,387,500	\$1,333	\$1,333
CHFA 1998 Series T	Credit	Apr-99	Jul-01	\$24,796,250	\$1,921,709	\$26,717,959	\$6,613	\$6,613
SUBTOTAL				\$153,421,250	\$4,710,370	\$158,131,620	\$54,310	\$239,809
DIRECT PAY LETTERS OF CREDIT								
Pt. Loma College	Expired. Redeemed as of Nov-98.			\$0	\$0	\$0	\$0	\$360,334
City of Visalia (California)	Credit	Sep-96	Sep-02	\$3,385,000	\$70,111	\$3,455,111	\$5,490	\$60,094
LA Fairplex	Credit	Jul-97	Jul-02	\$17,680,000	\$689,643	\$18,369,643	\$0	\$163,340
Master-Halco Series 1986-II	Credit	Nov-98	Nov-02	\$1,900,000	\$39,978	\$1,939,978	\$0	\$1,000
TransAmerica Series 1986-V	Expired. Redeemed as of Jul-99.			\$0	\$0	\$0	\$1,000	\$1,000
APM, Inc. Series 1994A	Credit	Aug-99	Jul-02	\$750,000	\$16,767	\$766,767	\$1,000	\$1,000
Altamont/Packaging Series 1994A	Credit	Aug-99	Jul-02	\$2,675,000	\$59,803	\$2,734,803	\$1,000	\$1,000
DV Packaging/La Barbera	Credit	Sep-99	Aug-02	\$1,690,000	\$37,782	\$1,727,782	\$1,000	\$1,000
Wilson Entities	Credit	Sep-99	Aug-02	\$2,610,000	\$58,350	\$2,668,350	\$1,000	\$1,000
CSCDA - IDB's								
Series 1994B								
Propak of California	Credit	Nov-94	Nov-02	\$2,720,000	\$60,809	\$2,780,809	\$4,624	\$54,570
J. Michelle/Edie Lee	Credit	Nov-94	Nov-02	\$2,000,000	\$44,712	\$2,044,712	\$4,018	\$55,987
Pasco Scientific	Credit	Dec-94	Dec-01	\$2,295,000	\$51,307	\$2,346,307	\$4,557	\$55,419
American River Packaging	Credit	Dec-94	Dec-01	\$1,725,000	\$38,564	\$1,763,564	\$3,515	\$36,175

CalSTRS CREDIT ENHANCEMENT PROGRAM
PROGRAM SUMMARY AS OF SEPTEMBER 30, 1999

Attachment 1
Item 13

Transactions	Type	Closing Date	End of Commitment	STRS Commitment	Interest	Total Commitment	Fiscal 1999 - 00 Fee Income	Fee Income To Date
Lance Camper Manuf.	Credit	Dec-94	Dec-01	\$3,225,000	\$72,099	\$3,297,099	\$6,258	\$68,907
CSCDA - IDB's Series 1989-90								
Intermountain Trading	Credit	Feb-95	Feb-02	\$290,000	\$6,483	\$296,483	\$445	\$9,176
Andercraft Products	Credit	Feb-95	Feb-02	\$775,000	\$17,326	\$792,326	\$1,395	\$28,714
Sunclipse, Inc. (Alhambra)	Credit	Feb-95	Feb-02	\$3,200,000	\$71,540	\$3,271,540	\$3,106	\$53,082
Sunclipse, Inc. (Union City)	Credit	Feb-95	Feb-02	\$2,135,000	\$47,730	\$2,182,730	\$2,132	\$38,893
Busseto Foods, Inc. (Rapelli of CA	Credit	Mar-95	Mar-02	\$2,500,000	\$55,890	\$2,555,890	\$2,466	\$41,865
AHNNN, Inc.	Expired. Redeemed as of Sept-97.			\$0	\$0	\$0	\$0	\$9,416
Zarn, Inc.	Expired. Redeemed as of July 1, 1			\$0	\$0	\$0	\$858	\$23,635
Marcel & Marge Schurman	Expired. Redeemed as of June 2, 1			\$0	\$0	\$0	\$1,786	\$31,689
Charles & Loralie Harris	Credit	Mar-95	Feb-02	\$2,170,000	\$48,513	\$2,218,513	\$4,888	\$44,725
American Zettler	Credit	Mar-95	Mar-02	\$1,975,000	\$44,153	\$2,019,153	\$3,822	\$34,285
Aqua Serv Engineering	Credit	Mar-95	Mar-02	\$1,300,000	\$29,063	\$1,329,063	\$4,864	\$44,825
Contech Engineering Prod.	Credit	Mar-95	Mar-02	\$1,200,000	\$26,827	\$1,226,827	\$2,581	\$23,690
Evapco, Inc.	Credit	Mar-95	Mar-02	\$450,000	\$10,060	\$460,060	\$1,164	\$9,994
Florestone Products Co.	Credit	Mar-95	Mar-02	\$1,345,000	\$30,069	\$1,375,069	\$2,855	\$27,189
Grundfos Pumps Company	Credit	Mar-95	Mar-02	\$6,000,000	\$134,137	\$6,134,137	\$11,137	\$89,312
Instrument Specialities Co.	Credit	Mar-95	Mar-02	\$625,000	\$13,973	\$638,973	\$1,493	\$14,513
McCain Citrus	Credit	Mar-95	Mar-02	\$3,000,000	\$67,068	\$3,067,068	\$4,866	\$39,549
Mc Elroy Metal Mills, Inc.	Credit	Mar-95	Mar-02	\$220,000	\$4,918	\$224,918	\$849	\$12,880
NRI, Inc.	Credit	Mar-95	Mar-02	\$1,425,000	\$31,858	\$1,456,858	\$2,968	\$25,314
W & H Voortman, Inc.	Credit	Mar-95	Mar-02	\$2,400,000	\$53,655	\$2,453,655	\$4,107	\$34,525
Image Laboratories, Inc.	Expired. Redeemed as of Dec-96.			\$0	\$0	\$0	\$0	\$26,854
Allwire, Inc.	Credit	Mar-95	Mar-02	\$300,000	\$6,707	\$306,707	\$1,149	\$11,141
Fairway Molds, Inc.	Credit	Mar-95	Mar-02	\$600,000	\$13,414	\$613,414	\$2,481	\$25,600
S & P Investments	Credit	Mar-95	Mar-02	\$1,165,000	\$26,045	\$1,191,045	\$2,731	\$24,692
Northwest Pipe & Casing	Credit	Apr-95	Apr-02	\$2,750,000	\$61,479	\$2,811,479	\$6,231	\$58,242
Reliance Upholstery	Expired. Redeemed as of Oct-98.			\$0	\$0	\$0	\$0	\$9,261
Zieman Manufacturing	Credit	Apr-95	Apr-02	\$385,000	\$8,607	\$393,607	\$1,775	\$13,051
CSCDA - IDB's Series 1995A								
Carvin Corporation	Credit	Jun-95	Aug-02	\$2,040,000	\$45,607	\$2,085,607	\$2,264	\$44,613
Leegin Creative Leather Prod.	Expired. Redeemed as of Dec-97.			\$0	\$0	\$0	\$0	\$19,469
Kennerley-Spratling	Credit	Jun-95	Aug-02	\$2,470,000	\$55,220	\$2,525,220	\$2,749	\$53,672
Vantage Properties	Credit	Jun-95	Aug-02	\$1,470,000	\$32,864	\$1,502,864	\$1,670	\$30,901
BNG Properties, LLC	Expired. Redeemed as of Aug-96.			\$0	\$0	\$0	\$0	\$12,253
Staub Metals, Inc.	Credit	Aug-95	Aug-02	\$1,020,000	\$22,803	\$1,042,803	\$1,158	\$25,681
Aerostar Partners, Inc.	Credit	Sep-95	Sep-02	\$4,095,000	\$91,548	\$4,186,548	\$8,124	\$71,392
Walker Spring and Stamping Cor	Credit	Sep-95	Sep-02	\$3,400,000	\$76,011	\$3,476,011	\$6,578	\$57,467
Encore Video, Inc.	Expired. Redeemed as of Oct-98.			\$0	\$0	\$0	\$0	\$11,691
EuroDesign Cabinets, Inc.	Credit	Sep-95	Sep-02	\$905,000	\$20,232	\$925,232	\$2,124	\$18,934
South Bay Circuits, Inc.	Credit	Sep-95	Sep-02	\$1,800,000	\$40,241	\$1,840,241	\$3,756	\$32,571
W & H Voortman, Inc.	Credit	Sep-95	Sep-02	\$1,020,000	\$22,803	\$1,042,803	\$2,357	\$19,081
Red Line Oil Co.	Credit	Nov-95	Nov-02	\$1,035,000	\$23,139	\$1,058,139	\$1,246	\$19,623
Johansen Dielectics	Credit	Nov-95	Nov-02	\$1,950,000	\$43,595	\$1,993,595	\$2,083	\$39,441
Peet's Coffee	Credit	Dec-95	Dec-01	\$2,620,000	\$58,573	\$2,678,573	\$2,696	\$45,696
Safariland	Credit	Sep-96	Sep-02	\$3,700,000	\$76,636	\$3,776,636	\$0	\$22,528
Control Air Conditioning	Credit	Jun-97	Jun-02	\$4,500,000	\$81,370	\$4,581,370	\$0	\$50,725

CSCDA - IDB
Series 1996M

CalSTRS CREDIT ENHANCEMENT PROGRAM
PROGRAM SUMMARY AS OF SEPTEMBER 30, 1999

Attachment 1
Item 13

Transactions	Type	Closing Date	End of Commitment	STRS Commitment	Interest	Total Commitment	Fiscal 1999 - 00 Fee Income	Fee Income To Date
Cordeiro Vault Co., Inc.	Credit	Dec-96	Dec-01	\$1,070,000	\$23,921	\$1,093,921	\$2,836	\$17,701
CSCDA - IDB Series 1996M								
Fibrebond West, Inc.	Credit	Dec-96	Dec-01	\$5,410,000	\$120,947	\$5,530,947	\$10,494	\$86,573
SUBTOTAL				\$117,370,000	\$2,884,951	\$120,254,951	\$310,207	\$2,346,945

CalSTRS CREDIT ENHANCEMENT PROGRAM
PROGRAM SUMMARY AS OF SEPTEMBER 30, 1999

Attachment 1
Item 13

Transactions	Type	Closing Date	End of Commitment	STRS Commitment	Interest	Total Commitment	Fiscal 1999 - 00 Fee Income	Fee Income To Date
CONFIRMING LETTERS OF CREDIT								
Confirmation #1 Suncreek Apts.	Credit	Apr-96	Apr-02	\$6,800,000	\$78,247	\$6,878,247	\$8,693	\$136,893
Confirmation #2 CMIG LLC	Terminated as of August 28, 1998.			\$0	\$0	\$0	\$0	\$5,514
Confirmation #3 Monrovia Redevelopment Agency	Credit	Jan-98	Jan-02	\$8,600,000	\$229,727	\$8,829,727	\$4,321	\$41,708
Confirmation #4 & #5 First Class Foods / Alliance	Redeemed as of August 1, 1999.			\$0	\$0	\$0	\$0	\$5,708
Confirmation #6 Western Saw	Credit	Jun-98	Jun-03	\$3,600,000	\$53,260	\$3,653,260	\$1,847	\$12,888
Confirmation #7 St. Vincent de Paul	Credit	May-99	May-02	\$7,485,000	\$110,737	\$7,595,737	\$0	\$15,603
Confirmation #8 Delta Tau Data Systems	Credit	Aug-98	Aug-02	\$5,800,000	\$85,808	\$5,885,808	\$0	\$20,761
Confirmation #9 Dix Metals	Credit	Sep-98	Sep-02	\$5,560,000	\$82,258	\$5,642,258	\$5,705	\$19,936
Confirmations #10 & #11 City of Fillmore	Credit	Sep-98	Sep-02	\$13,110,000	\$249,988	\$13,359,988	\$0	\$27,091
Confirmation #12 Accurate Engineering	Credit	Oct-98	Oct-02	\$5,000,000	\$73,973	\$5,073,973	\$0	\$12,347
Confirmation #13 The Terraces/Park Marino	Credit	Oct-98	Oct-02	\$8,000,000	\$131,507	\$8,131,507	\$0	\$26,111
Confirmation #14 Santa Paula (Water Supply)	Credit	Nov-98	Nov-02	\$24,500,000	\$467,178	\$24,967,178	\$0	\$12,067
Confirmation #15 Mission Viejo	Credit	May-99	May-06	\$31,100,000	\$2,177,853	\$33,277,853	\$0	\$24,265
Confirmation #16 City of Fillmore	Credit	Mar-99	Jun-02	\$7,345,000	\$137,643	\$7,482,643	\$3,409	\$3,409
Confirmation #17 City of Ontario	Credit	Mar-99	Mar-03	\$8,270,000	\$152,259	\$8,422,259	\$0	\$8,843
Confirmation #18 City of Ontario	Credit	Mar-99	Mar-03	\$6,670,000	\$120,609	\$6,790,609	\$0	\$6,791
Confirmation #19 Watt Four	Credit	May-99	May-02	\$2,750,000	\$46,109	\$2,796,109	\$5,934	\$5,934
Confirmation #20 Evergreen	Credit	Jun-99	Jun-02	\$2,525,000	\$37,357	\$2,562,357	\$1,619	\$5,463
Confirmation #21 Fontana Redevelopment	Credit	Jun-99	Jun-02	\$3,114,361	\$0	\$3,114,361	\$6,315	\$6,315
Confirmation #22 New United Motor (NUMMI)	Credit	Jun-99	May-00	\$11,015,000	\$130,369	\$11,145,369	\$759	\$759
Confirmation #23 Inland	Credit	Jun-99	Jun-02	\$44,485,000	\$2,925,042	\$47,410,042	\$0	\$0
Confirmation #24 Van R Dental	Credit	Jul-99	Jul-02	\$1,645,000	\$21,093	\$1,666,093	\$2,499	\$2,499
Confirmation #25 Fulton Properties	Credit	Jul-99	Jul-02	\$3,485,000	\$58,434	\$3,543,434	\$1,000	\$1,000

CalSTRS CREDIT ENHANCEMENT PROGRAM
PROGRAM SUMMARY AS OF SEPTEMBER 30, 1999

Attachment 1
Item 13

Transactions	Type	Closing Date	End of Commitment	STRS Commitment	Interest	Total Commitment	Fiscal 1999 - 00 Fee Income	Fee Income To Date
Confirmation #26 Alameda Point	Credit	Sep-99	Sep-02	\$10,000,000	\$391,233	\$10,391,233	\$21,129	\$21,129
Confirmation #27 Apple Valley	Credit	Sep-99	Sep-02	\$5,325,000	\$208,332	\$5,533,332	\$12,421	\$12,421
Confirmation #29 Starter/Alternator	Credit	Sep-99	Sep-02	\$5,000,000	\$73,973	\$5,073,973	\$7,611	\$7,611
SUBTOTAL				\$231,184,361	\$8,042,988	\$239,227,349	\$83,262	\$443,067
TOTAL:				\$707,225,307	\$19,105,115	\$726,330,422	\$622,228	\$4,418,707

CalSTRS CREDIT ENHANCEMENT PROGRAM
BANK EXPOSURE
PROGRAM SUMMARY AS OF SEPTEMBER 30, 1999

Deal	Commitment	Interest	Total	Portfolio Percentage
PARTNER INSTITUTION				
Port of Long Beach				
Canadian Imperial Bank of Commerce (CIBC)	\$75,000,000	\$0	\$75,000,000	10.60%
Buck Research Center on Aging (CIBC)	\$27,500,000	\$397,808	\$27,897,808	3.89%
USA Waste Industries				
Bank of California	\$9,764,121	\$0	\$9,764,121	1.38%
San Diego Unified Port District (CIBC)	\$35,000,000	\$1,365,243	\$36,365,243	4.95%
San Diego Unified Port District (CIBC)	\$15,000,000	\$585,104	\$15,585,104	2.12%
Pasadena Parking Authority (CIBC)	\$9,000,000	\$693,750	\$9,693,750	1.27%
Pasadena Rose Bowl (CIBC)	\$15,600,000	\$276,956	\$15,876,956	2.21%
Kern High School 1995A (CIBC)	\$6,169,343	\$0	\$6,169,343	0.87%
Kern High School 1995B (CIBC)	\$4,716,233	\$0	\$4,716,233	0.67%
Kern High School 1999 (CIBC)	\$7,500,000	\$147,945	\$7,647,945	1.06%
CHFA 1998 Series M				
Bank of America	\$9,125,000	\$707,188	\$9,832,188	1.29%
CHFA 1998 Series P				
Bank of America	\$5,000,000	\$387,500	\$5,387,500	0.71%
CHFA 1998 Series T				
Bank of America	\$24,796,250	\$1,921,709	\$26,717,959	3.51%
TOTAL - PARTNER INSTITUTION	\$244,170,946	\$6,483,203	\$250,654,149	34.53%
DIRECT FINANCIAL INSTITUTION EXPOSURE				
Union Bank of California, N.A.	\$187,939,361	\$7,534,094	\$195,473,455	26.57%
MBIA	\$114,500,000	\$1,693,973	\$116,193,973	16.19%
Sanwa Bank of California	\$25,385,000	\$443,523	\$25,828,523	3.59%
Tokai Bank	\$17,680,000	\$689,643	\$18,369,643	2.50%
City National Bank	\$14,520,000	\$227,263	\$14,747,263	2.05%
Bank of America	\$17,090,000	\$382,067	\$17,472,067	2.42%
Bank of Tokyo-Mitsubishi, Ltd.	\$11,015,000	\$130,369	\$11,145,369	1.56%
Wells Fargo Bank	\$12,805,000	\$283,772	\$13,088,772	1.81%
General Bank	\$8,600,000	\$229,727	\$8,829,727	1.22%
US Bank of California	\$6,800,000	\$78,247	\$6,878,247	0.96%
Bank of Nova Scotia	\$6,420,000	\$143,527	\$6,563,527	0.91%
Hibernia National Bank	\$5,410,000	\$120,947	\$5,530,947	0.76%
Comerica Bank - California	\$4,420,000	\$98,814	\$4,518,814	0.62%
Imperial Bank of California	\$3,700,000	\$76,636	\$3,776,636	0.52%
Pacific Century Bank, N.A.	\$8,600,000	\$127,233	\$8,727,233	1.22%
Santa Barbara Bank & Trust	\$3,485,000	\$58,434	\$3,543,434	0.49%
The Fuji Bank, Limited	\$3,385,000	\$70,111	\$3,455,111	0.48%
Coast Commercial Bank	\$2,610,000	\$58,350	\$2,668,350	0.37%
First National Bank	\$2,525,000	\$37,357	\$2,562,357	0.36%
Istituto Bancario San Paolo Di Tori	\$2,500,000	\$55,890	\$2,555,890	0.35%
Mellon Bank	\$1,200,000	\$26,827	\$1,226,827	0.17%
Fleet Bank	\$1,020,000	\$22,803	\$1,042,803	0.14%
CoreStates Bank	\$625,000	\$13,973	\$638,973	0.09%
Societe Generale	\$0	\$0	\$0	0.00%
1st Business Bank	\$600,000	\$13,414	\$613,414	0.08%
National Bank of Canada	\$220,000	\$4,918	\$224,918	0.03%
TOTAL - FINANCIAL INSTITUTION	\$463,054,361	#####	\$475,676,273	65.47%
TOTAL EXPOSURE	\$707,225,307	#####	\$726,330,422	100.00%